



ASX ANNOUNCEMENT

29 October 2015

MZI's Keysbrook mine commences production

- First production achieved at Keysbrook mine site
- Project currently three weeks ahead of schedule and on budget
- Secondary processing to commence at the Doral mineral separation plant at Picton in November 2015
- First sales targeted for late December 2015

MZI Resources Ltd (ASX:MZI) is pleased to announce that heavy mineral concentrate (HMC) production has commenced at the Keysbrook mine site.

Following the recent commencement of 24 hour mining operations and mechanical completion of the Mining Feed Unit (MFU) and the Wet Concentration Plant (WCP) at Keysbrook, first ore has been fed into the MFU and WCP with HMC production commencing immediately.

The Keysbrook Project has achieved HMC production three weeks ahead of the original schedule and is currently on budget.

MZI Managing Director Trevor Matthews said *"First HMC production is a great milestone for our shareholders and the team at MZI. To complete the WCP well ahead of schedule and on budget reflects the quality of the team and project. The Keysbrook Project is performing exceedingly well and we now look forward to commencing product sales later this year."*

Keysbrook operations will be progressively commissioned to full capacity during the current quarter.

Heavy mineral concentrate will be stockpiled on the Keysbrook site ahead of the planned commissioning of the upgraded and expanded mineral separation plant in November 2015, with first sales targeted for late December 2015.

Keysbrook is currently scheduled to produce over 95,000 tonnes of leucoxene and zircon products annually, at EBITDA margins greater than 50%. Testwork to further increase WCP heavy mineral recoveries is progressing well as the Company continues with early stage expansion studies.

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Figure 1: First truck unloading ore into the MFU at Keysbrook



Figure 2: First heavy mineral concentrate production



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